

IN THE MATTER OF:

DCG, LLC,

Respondent.

BEFORE THE MARYLAND  
COMMISSIONER OF  
FINANCIAL REGULATION

Case No.: DFR-EU-2010-110

---

**SETTLEMENT AGREEMENT AND CONSENT ORDER**

This Settlement Agreement and Consent Order ("Agreement") is entered into this 5<sup>th</sup> day of APRIL, 200~~9~~<sup>10 CW</sup>, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner"), and DCG, LLC ("Respondent"). The Commissioner and Respondent consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Annotated Code of Maryland Commercial Law Article ("CL"), Title 14, Subtitle 19, (the Maryland Credit Services Businesses Act, hereinafter "MCSBA"), Financial Institutions Article ("FI"), Title 11, Subtitles 2 and 3, and Real Property Article ("RP"), Title 7, Subtitle 3 (Protection of Homeowners in Foreclosure Act, hereinafter "PHIFA"), the Commissioner is responsible for licensing and regulating, *inter alia*, all residential mortgage loan modification services (a/k/a loss mitigation, foreclosure consulting, and similar services) provided to consumer loans secured by residential real property located in the State of Maryland (the "State").

2. The Commissioner has received information which would justify administrative charges and an injunction being brought against Respondent based on the following allegations:

a. That Respondent provided unlicensed residential loan modification services in violation of the MCSBA, FI, Title 11, Subtitles 2 and 3, and PHIFA; and

b. That these specific violations of PHIFA included, among other things, the following:

(1) Requiring payment by homeowner of an up-front fee prior to completing performance of all foreclosure consulting services called for in the contract, in violation of RP § 7-307(2) (which provides that a foreclosure consultant may not “[c]laim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform”); and

c. That the aforementioned violations of PHIFA constitute grounds for the Commissioner to seek an injunction against Respondent, and to recover the costs of that action, pursuant to RP § 7-319 (which provides, in relevant part, that: “the Commissioner may seek an injunction to prohibit a person who has engaged or is engaging in a violation of [PHIFA] from engaging or continuing to engage in the violation,” and that, “[i]n any action brought by... the Commissioner under this section, the ... Commissioner is entitled to recover the costs of the action for the use of the State”).


3. Respondent does not admit to the alleged violations set forth above but, nonetheless, wishes to resolve the alleged violations without the need for administrative

proceedings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without administrative charges being filed or administrative proceedings commenced, or an administrative hearing or injunction, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondent will comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, origination, modification, and mitigation, and further wishes to avoid the costs to the taxpayers of an administrative hearing and/or injunction and any potential appeals.

5. Respondent has agreed to take each and every one of the following actions in exchange for a final resolution of all allegations made herein:

a. Within 90 days after full execution and delivery of this Agreement, Respondent will make a refund to the following Maryland homeowner in the amount specified (which totals \$ 1,500):

<u>Homeowner Name</u>	<u>Amount of refund</u>
	\$ 1,500
<hr/>	
Total	\$ 1,500

Once the above-listed consumer is paid, and within a reasonable time after checks may be expected to clear, but no more than 60 days after full execution and delivery of this Agreement, Respondent will provide the Commissioner with proof of payment of the above-listed refunds.

b. Respondent will cease to provide any and all residential loan modification services in full compliance with the MCSBA, FI, Title 11, Subtitles 2 and 3, and PHIFA.

6. Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing, arising from any charges brought by the Commissioner based on the alleged violations, pursuant to MCSBA, FI, Title 11, Subtitles 2 and 3, and PHIFA, and the Maryland Administrative Procedures Act (MD. CODE ANN., STATE GOV'T. § 10-201 *et seq.*), and that Respondent hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with its waiver of rights and with the negotiation and execution of this Agreement, and that Respondent has either consulted with independent legal counsel or has knowingly and voluntarily elected not to consult with counsel.

7. Respondent represents that it is currently in compliance with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, origination, modification, and mitigation, and that Respondent will continue to act in compliance at all future times.

8. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by the Respondent, shall be admissible in court, and shall be binding upon and inure to any of the Respondent's present and future owners, members, officers, employees, successors, and assigns.

9. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation  
500 North Calvert Street, Suite 402  
Baltimore, Maryland 21202-3651  
ATTN: Mark Kaufman, Deputy Commissioner

Copy to:  
W. Thomas Lawrie, Esq.  
Assistant Attorney General  
500 North Calvert Street, Suite 406  
Baltimore, Maryland 21202-3651

b. To Respondent:

DCG, LLC  
ATTN: David Barksdale, President/Owner  
3309 Cornwell Drive, S.E.  
Washington, D.C. 20032

NOW, THEREFORE, it is, by the Maryland Commissioner of Financial Regulation,  
hereby

**ORDERED** that Respondent shall adhere to all terms of this Settlement Agreement  
and Consent Order; and it is

**ORDERED** that Respondent shall operate its businesses in full compliance with all  
statutes, regulations, and other laws governing mortgage lending, brokering, origination,  
modification, and mitigation in the State of Maryland, and shall continue to act in full  
compliance at all future times; and it is further

**ORDERED** that, in the event Respondent, or any of the owners, directors, officers,  
managers, members, employees, or agents of Respondent, violate any provision of this  
Settlement Agreement and Consent Order, or otherwise engage in the activities which formed  
the basis for the allegations set forth above, the Commissioner may, at the Commissioner's

discretion, take any enforcement actions available under MD. CODE ANN., FIN. INST. §§ 2-115, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$1,000 for each violation and up to \$5,000 for each subsequent violation, an order to provide restitution of money or property to any aggrieved persons, and/or referral for possible criminal prosecution; and it is further

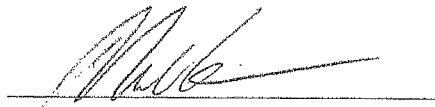
**ORDERED** that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation and, although Respondent does not admit to the alleged violations set forth above, nevertheless, the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so **ORDERED**.

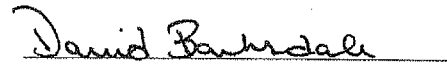
IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is  
executed on the day and year first above written.

**MARYLAND COMMISSIONER  
OF FINANCIAL REGULATION**

A handwritten signature in black ink, appearing to read 'Mark Kaufman', is written over a horizontal line.

By: Mark Kaufman,  
Deputy Commissioner

**DCG, LLC**

A handwritten signature in black ink, appearing to read 'David Barksdale', is written over a horizontal line.

By: David Barksdale  
President/Owner